

Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W
----- 082755

O R 231710Z APR 76
FM AMEMBASSY LISBON
TO SECSTATE WASHDC IMMEDIATE 0000
INFO USMISSION NATO
USNMR SHAPE BRUSSELS BEL
USCINCEUR VAIHINGEN GER
CINCLANT NORFOLK VA

S E C R E T SECTION 1 OF 2 LISBON 2648

EXDIS

MILITARY ADDEES HANDLE AS SPECAT EXCLUSIVE

DEPT PLEASE PASS US DELMC JCS AND SECDEF

E.O. 11652: XGDS-3
TAGS: MILI, MASS, PO
SUBJECT: MODERNIZATION OF PORTUGUESE ARMED FORCES

REFS: (A) STATE 86691 (DTG 131830Z APR 76), (B) LISBON 1893
(DTG 241642Z MAR 76)

1. PARA 2 REF (A) STATED USG IS PRESENTLY ANALYZING COST, AVAILABILITY AND OTHER DATA FOR APPROPRIATE IMPACT PACKAGE. REFERENCE WAS ALSO MADE TO FUNDING ISSUE AND CONGRESSIONAL REVIEW.

2. WE MAY BE WRONG BUT INFORMATION RECEIVED INFORMALLY HERE IS THAT IN PROCESS OF DEALING WITH THESE QUESTIONS IMPACT PACKAGE IS BEING SCALED DOWN. ONE HYPOTHESIS WE HAVE HEARD IS THAT USG WOULD PROVIDE A FEW END ITEMS ON LOAN WHICH WOULD BE WITHDRAWN AT SUBSEQUENT DATE AND ENTIRE USG CONTRIBUTION WOULD THEN BE LINKED TO AZORES NEGOTIATIONS. THE IMPERATIVES WHICH DRIVE THIS APPROACH, AS WE UNDERSTAND THEM, ARE BUDGETARY LIMITATIONS AND
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CONGRESSIONAL UNWILLINGNESS TO CONSIDER TWO PORTUGUESE

PACKAGES IN THE SAME FISCAL YEAR.

3. PRIORITIES: I RECOGNIZE THESE AS VERY REAL PROBLEMS, BUT I WOULD URGE THAT INSTEAD OF WATERING DOWN PACKAGE THE DEPARTMENT PUSH FOR A MAJOR DECISION AT THE HIGHEST LEVELS OF USG. THE BUDGET, AFTER ALL, IS FUNDAMENTALLY A SYSTEM OF SETTING PRIORITIES AND ADMINISTRATION AND CONGRESSIONAL POSITIONS ON BUDGETS CONSTANTLY CHANGE THROUGHOUT THE FISCAL YEAR. AN UNQUALIFIED PRESIDENTIAL COMMITMENT WAS MADE TO THE PORTUGUESE MODERATES TO PROVIDE MILITARY EQUIPMENT. IT THEREFORE SEEMS TO ME THAT THE PRESIDENT, OR AT LEAST THE SECRETARIES OF DEFENSE AND STATE IN HIS BEHALF, SHOULD BE GIVEN THE OPPORTUNITY TO READJUST BUDGETARY PRIORITIES IF NEED BE TO PROVIDE SUFFICIENT EQUIPMENT TO MAKE OUR COMMITMENT CREDIBLE.

4. CONGRESSIONAL CONSIDERATIONS: NOR DO I AGREE THAT CONGRESSIONAL CONSIDERATIONS, AS IMPORTANT AS THEY ARE, SHOULD DRIVE OUR STRATEGY. THE KEY CONSIDERATIONS ARE INTERNAL STABILITY, PORTUGAL'S PRO-WESTERN ORIENTATION, AND NATO COHESION. GIVEN PORTUGAL'S DRAMATIC STRUGGLE TO FREE ITSELF FROM COMMUNIST TENTACLES, IT SEEMS TO ME THAT A CONSIDERABLE RESERVOIR OF CONGRESSIONAL SYMPATHY SHOULD EXIST FOR A PROGRAM DESIGNED TO STRENGTHEN NATO AND DEMOCRATIC FORCES IN PORTUGAL AT THE SAME TIME. WE SHOULD MAKE OUR CASE TO CONGRESS ON FOREIGN POLICY GROUNDS, NOT OUT OF CONCERN THAT CONGRESS MAY BE UNWILLING TO DEAL WITH TWO PACKAGES, ONE FOR THE BRIGADE AND ONE FOR THE AZORES QUID.

5. AZORES LINKAGE: BY LINKING THE BRIGADE SO TIGHTLY TO POSSIBLE LAJES NEGOTIATIONS, AS I UNDERSTAND WASHINGTON IS CONTEMPLATING, WE ARE CONFUSING OUR OBJECTIVES AND RUNNING THE RISK THAT WE WILL LOSE EVERYTHING. THE OBJECTIVE OF THE BRIGADE IS NOT TO MAINTAIN USG PRESENCE IN LAJES. THE OBJECTIVE OF THE BRIGADE IS TO MAINTAIN INTERNAL STABILITY AND TO BRING PORTUGAL CLOSER TO NATO. WITHOUT THAT STABILITY AND WITHOUT A PRO-NATO ORIENTATION NO QUID WOULD BE SUFFICIENT TO INSURE CONTINUING USG ACCESS TO LAJES. FURTHERMORE, BY TYING OUR AID TO

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PORTUGAL FOR THE BRIGADE TO LAJES QUID WE COMPLICATE SYSTEMATIC NATO HANDLING AND MOST PROBABLY DIMINISH SHARPLY THE PROSPECTS FOR IMPORTANT ALLIED FINANCIAL CONTRIBUTIONS.

6. I RECOGNIZE THAT CONGRESS IS LIKELY TO INSIST THAT ANY SIZEABLE CONTRIBUTION BE LINKED TO LAJES. BUT EVEN IF USG PUSHES FOR EARLY LAJES NEGOTIATIONS, AND IT

IS DIFFICULT FOR US TO SEE THE ADVANTAGES IN THIS AT THIS POINT, IT IS HIGHLY UNLIKELY WE COULD REACH ANY KIND OF AGREEMENT BEFORE THE NEXT CALENDAR YEAR. IN THIS CASE THE LAJES QUID WOULD MORE CONVENIENTLY FIT INTO THE FY-78 BUDGET. TO TRY AND LINK LAJES AND THE BRIGADE IN THE SAME FISCAL YEAR WILL MORE LIKELY CREATE A SITUATION IN WHICH, AT BEST, WE WOULD DEPRIVE OURSELVES OF THE ADVANTAGES WE SEEK IN THE BRIGADE, CREATE AN UNDESIRABLE NATO PRECEDENT, PREJUDICE CHANCES OF ALLIED SUPPORT FOR THE BRIGADE, AND RESTRICT OUR NEGOTIATING FLEXIBILITY ON LAJES (SEE REF (B).)

7. OPTIONS: VIEWED FROM HERE WE APPEAR TO HAVE THE FOLLOWING BROAD OPTIONS:

(A) SCRAPE TOGETHER A MINIMAL "IMPACT" PACKAGE, PUT PRESSURE ON OUR ALLIES, AND LINK ANYTHING SIGNIFICANT

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INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W
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O R 231710Z APR 76
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S E C R E T SECTION 2 OF 2 LISBON 2648

EXDIS

MILITARY ADDEES HANDLE AS SPECAT EXCLUSIVE

DEPT PLEASE PASS US DELMC JCS AND SECDEF

TO LAJES NEGOTIATIONS. THIS APPROACH FACILITATES OUR CONGRESSIONAL PROBLEM BUT CALLS INTO QUESTION THE USG'S CREDIBILITY IN PORTUGAL, FAILS TO GIVE THE NEED-

ED MEASURE OF SUPPORT TO MODERATE THINKING PORTUGUESE ARMED SERVICES CHIEFS AND WEAKENS THE CONCEPT OF NATO HELPING AN ALLY IN TIME OF NEED. IT ALSO STARTS THE LAJES NEGOTIATIONS OFF ON A SOUR NOTE.

(B) PROVIDE SUBSTANTIAL IMPACT PACKAGE THIS FISCAL YEAR WITH BALANCE THROUGH SEPARATE APPROPRIATION IN FISCAL YEAR 1977. THIS APPROACH WOULD FULLY MEET OUR OBJECTIVES HERE AND IN NATO, BUT IS APPARENTLY UNREALISTIC IN TERMS OF FUNDING AVAILABILITY OR CONGRESSIONAL ACCEPTANCE.

(C) PROVIDE IMPACT PACKAGE THIS FISCAL YEAR BASED ON MAXIMUM 1976 REPROGRAMMING AND LOAN OF ITEMS OUT OF EXISTING STOCKS, SEEK APPROPRIATION TO EXPAND IMPACT PACKAGE IN FY-77, AND LINK PHASE TWO ITEMS TO AZORES NEGOTIATIONS. IF OUR ASSUMPTIONS ARE CORRECT,
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THIS WOULD ENTAIL FIRST PART OF PACKAGE BEING FUNDED IN FY-76, SECOND PART IN FY-77 AND THIRD PART IN FY-78. IT SEEMS TO ME THAT THIS STRATEGY WOULD MEET OUR FOREIGN POLICY OBJECTIVES, PERMIT A REASONED AND SYSTEMATIC APPROACH TO OUR ALLIES IN ORDER TO INDUCE THEM TO ASSUME SOME OF THE EQUIPMENT AND TRAINING COSTS AND ENABLE US TO DEAL ON A RATIONAL BASIS WITH CONGRESSIONAL CONSIDERATIONS.

8. ACTION REQUESTED: WOULD APPRECIATE DEPARTMENT'S COMMENTS ON ABOVE, AS WELL AS LATEST THINKING ON POSSIBLE FUNDING LEVELS. AS DEPARTMENT AWARE BRIGADE IS LISBON'S HIGHEST PRIORITY. IT IS ALSO A HIGH PRIORITY FOR USNATO AND SHAPE. BEFORE ACCEPTING A "MINIMAL" PACKAGE -- ONE WHICH WOULD CALL INTO QUESTION OUR COMMITMENT AND JEOPARDIZE THE POLITICAL PROGRESS MADE TO DATE IN PORTUGAL -- I WOULD APPRECIATE AN OPPORTUNITY TO PLACE THE ISSUES BEFORE THE SECRETARIES OF STATE AND DEFENSE.
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